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## **Research, cooperation key to downturn survival, conference told**

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Retailers and developers must continue to improve their research capabilities and data analysis platforms if they are to make headway in this economy, speakers said recently at the ICSC North America Research Conference, at the Universal Hilton. Information exchange between companies should also be encouraged, as retailers and developers will have to rely on each other for support during the tough times, attendees were told.

"More banks are going to go out of business, more retailers are going to go out of business-we've got some work to do over the next couple of years," said Rick Caruso, president, CEO and founder of Caruso Affiliated, a Los Angeles-based development firm. "Good fundamental research on what motivates the consumer is key. This industry needs to take the lead in setting down guidelines on how we want to move forward in this economy."

"New technology to aid in site selection and other real estate decisions offers retailers more information than ever before," said Jim Stone, chief development officer of GeoVue, a Woburn, Mass.-based consulting firm that specializes in geographic information systems (GIS) services.

"Development will never be reduced to a mathematical model," said Stone. "But market planning methods and technology have reached a point where they're affordable, and every player in the process can benefit."

Brian Strickland, director of market research at Charlotte, N.C.-based Family Dollar, said retailer research teams need to figure out an appropriate balance between old-fashioned gut instincts and technological applications. "There definitely needs to be a blend of art and science," Strickland said. "Our company went from just gut feeling to looking at models too much. But that doesn't do the job as well as a combination of the two."

"Retailers are becoming increasingly disciplined," said Deborah Weinswig, a managing director at Citi Investment Research. "Same-store sales are weak, but returns on invested capital are growing, which is amazing."

Despite signs pointing to a long and hard 2009, a number of retailers at the conference said they expect to continue marching forward with their growth plans. "A lot of opportunities are going to come about in the next 12 to 24 months," said Michael Dastague, senior vice president and director of property development at JCPenney. "There's going to be some good opportunities to pick up sites in areas that have been difficult. Our area research team is going to be busier than they've ever been."

Caruso, whose properties include such innovative California centers as The Grove, in Los Angeles, and the newly opened Americana at Brand, in Glendale, argued that an increased emphasis on customer service will be important for mall owners going forward.

"I'm focused on the service aspect to differentiate us," said Caruso, whose portfolio boasts a 100%

occupancy rate. "It's all about treating the customer as your guest, and it's all about programming. We're spending more money than ever on advertising, programming and events. We're giving people a reason to be on our property, and it's working."

Some 280 delegates attended the first day of the conference, which was subtitled, "A Changing Environment: Networking to Meet Research Challenges." Day one also included a showcase of state-of-the-art research tools and services. The exhibitors included Arbitron/Scarborough Research, Buxton, CoStar Group, ESRI, GeoVue, Intalytics, LoopNet, Pitney Bowes MapInfo, ROIC Analytics, Sites USA, Synergos Technologies and Universal Protection Service.

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